https://www.financial-planning.com/list/top-10-dividend-stocks-of-the-past-year

Top 10 dividend stocks of the past year

By Rob Burgess
July 11, 2025 2:37 PM

Growing up in Pennsylvania, Kirk Reagan, owner of High Flight Financial Allen, Texas, said as early as he could remember his grandfather would talk about his "fantastic" dividend stocks like the Bell System, or "Ma Bell," and U.S. Steel.

"He was a retiree who truly enjoyed the dividend checks he received," Reagan said. "Now, as an adult, I see the merits of both sides, and I believe dividend investing has a place for certain investors."

Dividend stocks pay out a portion of the company's profits to shareholders instead of reinvesting in their business. Advisors with experience with these investments said there are several factors to consider before deciding which clients would benefit from this strategy.

The advantages of dividend stocks

Dividend investing can be a compelling option, especially for those who prefer not to rely on selling appreciated assets or trying to time the market to realize long-term capital gains, said Arielle Tucker, the founder of Connected Financial Planning in Zurich.

"Dividend-paying stocks can offer a more predictable cash flow that supports spending needs while keeping their principal invested," she said.

Dividend stock investment can be good for clients who are looking for consistent income, particularly those in or nearing retirement, said Fei Chen, founder and CEO of Intellectia AI, an AI-powered platform that monitors macro trends and ETF performance across multiple sectors.

"Dividends offer frequent payments that can be reinvested or taken as living expenses," he said. "The biggest plus is the likelihood of consistent returns despite fluctuating markets."

In essence, dividend stocks can be considered the "Goldilocks" of equity, said Reagan.

"You're less likely to get burned in a down market, but you also won't be too cold in an up market," he said.

The disadvantages of dividend stocks

On the downside, dividend payments are taxed in the current year, said Reagan. However, if clients hold American stocks for over a year they qualify for preferred tax treatment, similar to capital gains, he said.

"This means if you need the income to live off of, you benefit from reduced tax brackets," he said. "Conversely, if you are in the accumulation phase of life, you might be in a higher capital gains bracket than you will be in retirement and forced to pay those taxes in the current year."

Therefore, dividend stocks and funds can offer clients higher upside potential than bonds or preferred shares, with a lower risk level than the total market, said Reagan.

"Generally, clients seeking stability and a reliable source of income, much like my grandfather, may want to consider these," he said. "For someone still in the accumulation phase, choosing only dividend stocks could potentially hinder growth and increase current year taxes."

Qualified dividends, those paid by U.S. corporations or certain foreign corporations, are taxed at the more favorable long-term capital gains rates, which can be 0%, 15% or 20%, depending on income level, said Tucker.

"In contrast, ordinary dividends are taxed at the individual's ordinary income tax rates, which can be as high as 37%," she said. "This distinction can have a major impact on after-tax returns."

The key advantage of dividend income is that it may provide more tax-efficient income than interest or short-term gains, while also allowing investors to stay invested and benefit from potential market appreciation, said Tucker.

"However, investors need to be mindful of which types of accounts hold dividend-paying assets, for example, holding high-dividend stocks in tax-advantaged accounts like IRAs or Roth IRAs can help minimize tax drag," she said.

Dividend stocks tend also to be from older, less rapidly growing companies, so they may not provide the same opportunity for capital appreciation as growth stocks, said Chen. Moreover, companies can reduce dividends during bad times, which may affect the income of investors.

"For certain clients, especially ones seeking stability and income, dividend stocks are an excellent option," he said. "However, I think for younger investors with a long horizon, investing with a greater emphasis on growth stocks may be a better option to optimize their capital in the long run."

Scroll down the slideshow below for the 10 stocks with the highest yield dividends in the U.S. in the 12 months from July 1, 2024 to June 30, 2025. All data is from Morningstar Direct.

Top 10 dividend-paying stocks of past year

10 Soluna Holdings Inc Pref Share (SLNHP)

Sector	**Financial services**
Market cap	**$19,840,000**
Total returns over past 12 months	**-51.5%**
Dividend yield % TTM	**28.85%**

9 Icahn Enterprises LP Depositary Units Repr Units of LP Interests (IEP)

Sector	**Energy**
Market cap	**$4,393,260,000**
Total returns over past 12 months	**-39.88%**
Dividend yield % TTM	**29.21%**

8 B. Riley Financial Inc Pref Share (RILYP)

Sector	**Financial services**
Market cap	**$8,870,000**
Total returns over past 12 months	**-87.52%**
Dividend yield % TTM	**39.51%**

7 B. Riley Financial Inc Pref Share (RILYL)

Sector	**Financial services**
Market cap	**$5,790,000**
Total returns over past 12 months	**-89.99%**
Dividend yield % TTM	**42.68%**

6 ZIM Integrated Shipping Services Ltd Ordinary Shares (ZIM)

Sector	**Industrials**
Market cap	**$1,938,160,000**
Total returns over past 12 months	**13.3%**
Dividend yield % TTM	**48.54%**

5 Mackenzie Realty Capital Inc (MKZR)

Sector	**Real Estate**
Market cap	**$10,570,000**
Total returns over past 12 months	**-76.11%**
Dividend yield % TTM	**54.6%**

4 CMB.Tech NV (CMBT)

Sector	**Energy**
Market cap	**$1,802,610,000**
Total returns over past 12 months	**-41.66%**
Dividend yield % TTM	**58.79%**

3 FAT Brands Inc Pref Share (FATBP)

Sector	**Consumer cyclical**
Market cap	**$13,580,000**
Total returns over past 12 months	**-78.98%**
Dividend yield % TTM	**67.68%**

2 QVC Group Inc Pref Share (QVCGP)

Sector	**Consumer cyclical**
Market cap	**$82,700,000**
Total returns over past 12 months	**-80.99%**
Dividend yield % TTM	**102.17%**

1 Creative Media & Community Trust Corp (CMCT)

CMCT

Sector	**Real estate**
Market cap	**$6,070,000**
Total returns over past 12 months	**-98.74%**
Dividend yield % TTM	**234.58%**